

108TH CONGRESS
1ST SESSION

S. 1729

To establish an informatics grant program for hospitals and skilled nursing facilities in order to encourage health care providers to make major information technology advances.

IN THE SENATE OF THE UNITED STATES

OCTOBER 14, 2003

Mr. GRAHAM of Florida (for himself and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish an informatics grant program for hospitals and skilled nursing facilities in order to encourage health care providers to make major information technology advances.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medication Errors Re-
5 duction Act of 2003”.

1 **SEC. 2. INFORMATICS SYSTEMS GRANT PROGRAM FOR**
2 **HOSPITALS AND SKILLED NURSING FACILI-**
3 **TIES.**

4 (a) GRANTS.—

5 (1) IN GENERAL.—The Secretary of Health and
6 Human Services (in this section referred to as the
7 “Secretary”) shall establish a program to make
8 grants to eligible entities that have submitted appli-
9 cations in accordance with subsection (b) for the
10 purpose of assisting such entities in offsetting the
11 costs related to purchasing, leasing, developing, and
12 implementing standardized clinical health care
13 informatics systems designed to improve patient
14 safety and reduce adverse events and health care
15 complications resulting from medication errors.

16 (2) DURATION.—The authority of the Secretary
17 to make grants under this section shall terminate on
18 September 30, 2013.

19 (3) COSTS DEFINED.—For purposes of this sec-
20 tion, the term “costs” shall include total expendi-
21 tures incurred for—

22 (A) purchasing, leasing, and installing
23 computer software and hardware, including
24 handheld computer technologies;

25 (B) making improvements to existing com-
26 puter software and hardware;

1 (C) purchasing or leasing communications
 2 capabilities necessary for clinical data access,
 3 storage, and exchange; and

4 (D) providing education and training to el-
 5 igible entity staff on computer patient safety in-
 6 formation systems.

7 (4) ELIGIBLE ENTITY DEFINED.—For purposes
 8 of this section, the term “eligible entity” means the
 9 following entities:

10 (A) HOSPITAL.—A hospital (as defined in
 11 section 1861(e) of the Social Security Act (42
 12 U.S.C. 1395x(e))).

13 (B) SKILLED NURSING FACILITY.—A
 14 skilled nursing facility (as defined in section
 15 1819(a) of such Act (42 U.S.C. 1395i–3(e))).

16 (b) APPLICATION.—An eligible entity seeking a grant
 17 under this section shall submit an application to the Sec-
 18 retary at such time, in such form and manner, and con-
 19 taining such information as the Secretary specifies.

20 (c) SPECIAL CONSIDERATIONS AND RURAL HOS-
 21 PITAL RESERVE.—

22 (1) SPECIAL CONSIDERATION FOR ELIGIBLE
 23 ENTITIES THAT SERVE A LARGE NUMBER OF MEDI-
 24 CARE, MEDICAID, AND SCHIP ELIGIBLE INDIVID-
 25 UALS.—In awarding grants under this section, the

1 Secretary shall give special consideration to eligible
 2 entities in which individuals that are eligible for ben-
 3 efits under the medicare program under title XVIII
 4 of the Social Security Act, the medicaid program
 5 under title XIX of such Act, or under the State chil-
 6 dren’s health insurance program under title XXI of
 7 such Act make up a high percentage of the total pa-
 8 tient population of the entity.

9 (2) RESERVE 20 PERCENT OF GRANT FUNDS
 10 FOR RURAL HOSPITALS.—

11 (A) IN GENERAL.—Subject to subpara-
 12 graph (C), the Secretary shall ensure that at
 13 least 20 percent of the funds available for mak-
 14 ing grants under this section are used for mak-
 15 ing grants to eligible entities that are rural hos-
 16 pitals.

17 (B) RURAL HOSPITAL DEFINED.—For pur-
 18 poses of subparagraph (A), the term “rural hos-
 19 pital” means a hospital that—

20 (i) is located in a rural area (as such
 21 term is defined for purposes of section
 22 1886(d) of the Social Security Act (42
 23 U.S.C. 1395ww(d)));

1 (ii) is located in an area designated by
 2 any law or regulation of the State as a
 3 rural area; or

4 (iii) is designated by the State as a
 5 rural hospital.

6 (C) AVAILABILITY OF RESERVE FUNDS IF
 7 LIMITED NUMBER OF RURAL HOSPITALS APPLY
 8 FOR GRANTS.—If the Secretary estimates that
 9 the amount of funds reserved under subpara-
 10 graph (A) for hospitals described in such sub-
 11 paragraph exceeds the maximum amount of
 12 funds permitted for such hospitals under sub-
 13 section (d), the Secretary may reduce the
 14 amount reserved for such hospitals by an
 15 amount equal to such excess and use such
 16 funds for awarding grants to other eligible enti-
 17 ties.

18 (d) LIMITATION ON AMOUNT OF GRANT.—

19 (1) IN GENERAL.—A grant awarded under this
 20 section may not exceed the lesser of—

21 (A) an amount equal to the applicable per-
 22 centage of the costs incurred by the eligible en-
 23 tity for the project for which the entity is seek-
 24 ing funding under this section; or

25 (B) in the case of a grant made to a—

- 1 (i) hospital, \$750,000; or
- 2 (ii) skilled nursing facility, \$200,000.

3 (2) APPLICABLE PERCENTAGE.—For purposes
 4 of paragraph (1)(A), the term “applicable percent-
 5 age” means, with respect to an eligible entity, the
 6 percentage of total net revenues for such period as
 7 determined appropriate by the Secretary for the en-
 8 tity that consists of net revenues from the medicare
 9 and medicaid programs or the State children’s
 10 health insurance program under titles XVIII, XIX,
 11 and XXI of the Social Security Act.

12 (e) ELIGIBLE ENTITY REQUIRED TO FURNISH SEC-
 13 RETARY WITH INFORMATION.—An eligible entity receiv-
 14 ing a grant under this section shall furnish the Secretary
 15 with such information as the Secretary may require to—

16 (1) evaluate the project for which the grant is
 17 made; and

18 (2) ensure that funding provided under the
 19 grant is expended for the purposes for which it is
 20 made.

21 (f) REPORTS.—

22 (1) INTERIM REPORTS.—

23 (A) IN GENERAL.—The Secretary shall
 24 submit, at least annually, a report to the Com-
 25 mittee on Ways and Means of the House of

1 Representatives and the Committee on Finance
2 of the Senate on the grant program established
3 under this section.

4 (B) CONTENTS.—A report submitted pur-
5 suant to subparagraph (A) shall include infor-
6 mation on—

7 (i) the number of grants made;

8 (ii) the nature of the projects for
9 which funding is provided under the grant
10 program;

11 (iii) the geographic distribution of
12 grant recipients; and

13 (iv) such other matters as the Sec-
14 retary determines appropriate.

15 (2) FINAL REPORT.—Not later than 180 days
16 after the completion of all of the projects for which
17 a grant is made under this section, the Secretary
18 shall submit a final report to the committees re-
19 ferred to in paragraph (1)(A) on the grant program
20 established under this section, together with such
21 recommendations for legislation and administrative
22 action as the Secretary determines appropriate.

23 (g) AUTHORIZATION OF APPROPRIATIONS.—

24 (1) AUTHORIZATION.—

1 (A) HOSPITALS.—There are authorized to
2 be appropriated from the Federal Hospital In-
3 surance Trust Fund under section 1817 of the
4 Social Security Act (42 U.S.C. 1395i)
5 \$93,000,000, for each of the fiscal years 2004
6 through 2013, for the purpose of making grants
7 under this section to eligible entities that are
8 hospitals.

9 (B) SKILLED NURSING FACILITIES.—
10 There are authorized to be appropriated from
11 the Federal Hospital Insurance Trust Fund
12 under section 1817 of the Social Security Act
13 (42 U.S.C. 1395i) \$4,500,000, for each of the
14 fiscal years 2004 through 2013, for the purpose
15 of making grants under this section to eligible
16 entities that are skilled nursing facilities.

17 (2) AVAILABILITY.—Any amounts appropriated
18 pursuant to the authority contained in subparagraph
19 (A) or (B) of paragraph (1) shall remain available,
20 without fiscal year limitation, through September
21 30, 2013.

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